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TAGS: [PREL](#) [ECON](#) [MARR](#) [PGOV](#) [MASS](#) [PINS](#) [SNAR](#) [PA](#)
SUBJECT: FISHING IN TROUBLED WATERS WITH LUGO

Classified By: Ambassador Liliana Ayalde; reasons 1.4 (b) and (d).

¶1. (C) SUMMARY: I accepted an invitation from President Lugo to join his February 28-29 trip to a nature reserve in Alto Paraguay. The trip included fishing for piranhas, eating alligator or "jacare," and bird watching on the Black River with the President -- providing me with a unique opportunity to learn more about the private side of the former Bishop. He wanted to share this corner of Paraguay -- where Paraguay, Brazil and Bolivia meet -- with a group of "special friends."

The trip came on the heels of tense executive branch relations with Congress and the Supreme Court, and much political maneuvering in order to garner political support for the GOP's financial crisis plan. Despite this tense backdrop, President Lugo took the time to relax and go fishing, giving me a window into his difficulties in governing in these early months of his administration. Lugo's leadership style continues to develop amid competing influences in his inner circle. He and his team are still working through some of the management challenges presented by an ideologically diverse, inexperienced team. However, Lugo continues to send us positive signals and to show support for U.S. assistance and cooperation. We should do everything in our power to continue to build trust and friendship with President Lugo, particularly as the Obama administration defines its interests and goals in the region.

END SUMMARY.

LUGO'S INVITATION

¶2. (C) The first call I received upon returning from Home Leave was from President Lugo. He had just traveled to northern Paraguay and was effusive about the beauty of a private nature reserve in Fortin Patria, close to Bahia Negra in the Department of Alto Paraguay. He planned to return at the end of the month and wanted to know if I could join him. Four days before the trip, the President called me with details regarding the trip, but his own protocol director learned of it only hours before departure. I met Lugo at Mburuvicha Roga (the President's Residence) and took a helicopter to the airport with him. At the airport, we were met by the rest of the traveling party which included: the President's private secretary Miguel Rojas, Minister of Defense Luis Bareiro, Minister of the Environment Jose Luis Casaccia, Lugo's protocol assistant Auda Roig, Minister of Children Liz Torres, Director of the National Institute for the Protection of People with Special Needs Luz B. Gonzalez, a journalist from leading daily newspaper ABC Color, and several NGO representatives. (NOTE: Lugo also invited Cesar Aquino, the director of Paraguay's counternarcotics secretariat, and Esperanza Martinez, health minister, who were unable to travel. END NOTE).

CHATTING WITH LUGO ON THE PLANE -- FROM AIRPLANES TO IRAN

13. (C) The flight on the private Spanish-made Casa, though noisy, provided some time to talk to the President about various topics. Lugo stretched his legs on a leather bench that was custom made to help with his varicose veins, and began to talk, jumping from subject-to-subject, as is his tendency. He was enthusiastic about President Obama's inauguration and very pleased with Obama's plans for Iraq. (NOTE: Both Lugo's private secretary and protocol chief inquired about Lugo's request for a bilateral with President Obama on the margins of the Summit of the Americas. END NOTE). Lugo also mentioned that he would meet Brazilian President Lula May 6 and travel with him via train in a Brazilian border state to discuss the rights of Brazilian landowners in Paraguay. (BIOGRAPHIC NOTE: Lugo appeared fit, strong and healthier than ever, and seemed to be focused on a healthy diet supervised by a former Catholic nun who is part of his staff. Wearing jeans and sneakers, he eagerly poured over maps of Bahia Negra and Fortin Patria en route to show me where we would land and what rivers we would be traveling on. Lugo noted that he is a fanatic about being on time. He

related that he wakes up at 5:00 a.m. every day and goes for a walk, has lunch at 12:30 and takes a two-hour nap in the early afternoon which gives him the energy to work late. Lugo noted that he likes to eat dinner no later than 7:30 p.m., unusual for a country in which many people eat at 11:00 p.m. or later. END BIOGRAPHIC NOTE).

14. (C) The President likes to fly and spent a good part of our two-and-a-half-hour flight in the cockpit, both on the

way to Bahia Negra and on the way home. I asked him about the status of his request for a presidential plane. Disappointed, he said that his request had gone nowhere and his lack of a plane was a problem. He confided that during a late January meeting in Brazil, Chavez, Morales and others offered to take some of his delegation with them to the March 31 Arab-Latin American Summit in Qatar. Lugo said his ticket alone would cost USD 8,000 and he had to travel with a team so the cost was excessive. He did not want to split up his delegation nor did he feel comfortable accepting other countries' transportation offers. Lugo said he felt bad for Foreign Minister Hamed (parenthetically blessing his heart), who wanted to take the President to this region and had already set up an itinerary on the margins of the Summit. He said Hamed wanted Lugo to go to Lebanon, Jordan and Syria. When I asked, "and Iran?" Lugo jumped and emphatically turned to look at me and said "No!" He firmly denied receiving an invitation to travel to Iran. Lugo indicated that Hamed invited him to the minister's birthday party the night before and the house was full of "Arabs" including the Syrian Ambassador (resident in Buenos Aires). Lugo met several members of Paraguay's Syrian-Lebanese community, and many pressed him to visit the Middle East. In the end, visibly disturbed by our conversation, Lugo commented that he probably "would just not go" and retreated for a short time into the cockpit.

FISHING AND OFFERING ADVICE ON DECISION-MAKING

15. (C) American citizens Stuart and Josephine Pryor manage the Fortin Patria Ranch which hosted the President's delegation. The isolated 62,000-hectare reserve, situated in the middle of mosquito-infested marsh lands, belongs to Maggie Bryant, a wealthy 82-year-old Texan with close connections to former U.S. Ambassador to Paraguay Timothy Towell. After drenching ourselves with OFF, we walked to the pier where we boarded two small motor boats on the Black River. The President invited me to join him in his boat. Heavily populated with fish and alligators, or "jacare," fishing was easy, and the President chatted about providing the area with the appropriate environmental protections.

(NOTE: At this point, the journalist on the trip snapped a photo of us that made the front cover of ABC Color on March 11. END NOTE). After fishing, I joined the President and some of his delegation to drink "tererere" (Paraguayan iced tea). Passing the leather-bound and engraved Fernando Lugo thermos, they debated whether Lugo was being too relaxed in his leadership style, allowing ministers to arrive late for meetings and not governing with a firm enough hand. In addition to simple day-to-day management principles (I heartily agreed that it is unacceptable for his ministers to fail to appear for meetings or to arrive late), they also discussed more complex issues such as how to formulate unified positions on policy issues. Then, after quickly finishing his dinner of piranha soup and alligator filets, Lugo abruptly retired to his room, since he wanted to start fishing again at 5:00 a.m.

A LOW-KEY BORDER CROSSING AND A TOAST TO FRIENDS

16. (C) Early the next morning, Lugo quietly left to go fishing and crossed into Bolivia at Puerto Busch, where he met two Bolivian soldiers manning the outpost. Lugo said the soldiers asked who he was, to which he responded "a priest," since they did not know who Fernando Lugo was. He was visibly moved by how poor and hungry these soldiers were, recounting the story several times later. Lugo gave them all the fish he had caught that morning, as he worried that the soldiers had sold their weapons in order to buy food.

17. (C) Lunch on Saturday was served at the Three Giants Research Center where the Black River meets the Paraguay River, the only place in the world where the giant otter, giant anteater and giant porcupine are indigenous. During the meal, Lugo offered a toast, as well as some insight into the purpose of the trip. He said he had been so mesmerized the month before by the area's beauty and the richness of its fauna and flora that he wanted to return to share the experience with the people he cared for most. (NOTE: The environmental minister was clearly an exception, having come along only for the substance of the trip. Several persons indicated that Casaccia was on thin ice with Lugo - as was the defense minister - which was confirmed when Lugo left them both at Fortin Patria when they were late for the plane back home. END NOTE). Lugo hoped that his government would work hard to preserve the area so that others could also enjoy it. He thanked his team and the NGO representatives present who were working hard to improve environmental protections.

18. (C) Lugo told me he was pleased with our mil-to-mil relations and even commented on the MEDRETE taking place that weekend in Capitan Meza, Itapua Department. Lugo was aware of our military assistance in general, and continued to express interest in and support for U.S. assistance and cooperation. He asked me to speak to Armed Forces Commander General Cibar Benitez (and not, I note, the Defense Minister traveling with us) to advance specific areas of cooperation.

COMMENT

19. (C) Lugo's leadership style continues to develop amid competing influences in his inner circle. Lugo seems to be growing more comfortable with his role but still struggles to accommodate his priestly style to that required of a statesman. He and his team are still working through some of the management challenges presented by an ideologically diverse, inexperienced team. The most frequent criticism of Lugo to this point is that his laid-back leadership style is a hindrance to governing, as he listens, says little, and delays decision-making; it was comforting to know that his staff raises these issues with him directly. He will need to be more forward-leaning as he attempts to convince Congress to pass his financial crisis plan and to work with him on

judicial reform.

¶10. (C) COMMENT CONTINUED: According to Miguel Rojas, the United States has few friends in the Palace, which he divided into two camps -- the "left" led by Chief of Staff Miguel Lopez Perito and the "center" which includes Minister of Interior Filizzola and others. Rojas said the divide is so deep that the two sides don't talk to each other unless they have to. He considered Lugo to be "center." It was perhaps notable that Lugo did not invite any prominent "leftist" members of his cabinet on the trip. So while we may have few friends in the Palace, we have the one who matters: Fernando Lugo. We should do everything in our power to hold on to that friendship and continue to build trust, particularly as the Obama administration defines its interests and goals in the region. END COMMENT.

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AYALDE